



ENERGY ASSURANCE DAILY

Thursday Evening, April 12, 2012

Electricity

Entergy Reports Fire at Its 1,251 MW Grand Gulf Nuclear Plant in Mississippi April 11

Entergy Corp. reported to the Nuclear Regulatory Commission on April 12, that it had extinguished a fire in the main condenser of its Grand Gulf nuclear power plant in Mississippi Wednesday evening. The unit has been on a planned refueling outage since Feb. 20. According to the company, the fire was put out in 40 minutes, and no one was hurt. The cause of the fire was being investigated.

<http://www.reuters.com/article/2012/04/12/utilities-operations-entergy-grandgulf-idUSL2E8FC1XW20120412?type=companyNews&feedType=RSS&feedName=companyNews&rpc=43>
<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2012/20120412en.html>

Entergy Tells NRC It Won't Shut Down Its 510 MW Vermont Yankee Nuclear Plant

Entergy Corp has sent a letter to the NRC saying it would not shut down the Vermont Yankee nuclear power plant within the next five years, even though the company's request for a state permit is pending and currently unresolved. The Vermont Department of Public Service had attempted to shut down the reactor when its initial 40-year license term expired. However, a federal judge blocked the state's attempt. According to Entergy, it does not need to close in five years because it received a 20-year renewal of its NRC license in March 2011.

http://www.reformer.com/localnews/ci_20377420/vermont-yankee-owner-no-need-plan-closing

Update: Entergy's 510 MW Vermont Yankee Nuclear Unit in Vermont Ramped Up to 86 Percent by April 12

The Nuclear Regulatory Commission reported that on the morning of April 11 the unit was operating at 34 percent. Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2012/>

Update: Entergy's 979 MW Indian Point Nuclear Unit 3 in New York Ramped Up to 11 Percent by April 12

The Nuclear Regulatory Commission reported that on the morning of April 11 the unit was not operating. Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2012/>

Cabrillo Power's 330 MW Encina Unit 5 Gas-fired Unit in California Shut by April 11

According to the California Independent System Operator, the unit reported an unplanned outage on April 11.

<http://content.aiso.com/unitstatus/data/unitstatus201204111515.html>

Petroleum

Update: Delta Airlines May Partner with JP Morgan to Buy ConocoPhillips's 185,000 b/d Trainer, Pennsylvania Refinery

Delta Air Lines may partner with JP Morgan to help run ConocoPhillips' idled 185,000 b/d refinery in Trainer, Pennsylvania, if the airline carrier buys the plant, according to sources familiar with matters. Under the proposal, Delta would purchase the refinery for between \$100 and \$200 million, and JP Morgan would finance the refining process, including buying and shipping crude oil from overseas. ConocoPhillips said in January that it would demolish the refinery by the end of March if a buyer was not found.

<http://www.bloomberg.com/news/2012-04-11/delta-said-to-look-10-fuel-savings-with-conocophillips-refinery.html>

Reuters, 18:50 April 11, 2012

Motiva Plans Start Up of New 325,000 b/d Crude Unit at Its Port Arthur, Texas Refinery

Motive Enterprises announced April 12 that it planned to start a new 325,000 b/d crude distillation unit at its Port Arthur refinery in Texas in late April. The current crude distillation capacity of the refinery is 285,000 b/d. At the same time, the company will shut down the 285,000 b/d coking unit and 180,000 b/d vacuum crude distillation unit for overhauls.

Reuters, 10:47 April 12, 2012

Total Reports Valve Failure, Leak at Its 232,000 b/d Port Arthur, Texas Refinery April 11

Total Petrochemicals reported a check valve failure that led to a spill at its 232,000 b/d Port Arthur refinery in Texas, according to a filing with the Texas Commission on Environmental Quality. The filing identified three tanks as the sources of the spill, however, it did not specify the product released.

<http://in.reuters.com/article/2012/04/11/us-refinery-total-idINBRE83A1B320120411>

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=167076>

Update: Valero Production Units Restarted at Its 125,000 b/d Meraux, Louisiana Refinery April 12

Valero Energy Corp. said Thursday that all production units at its 125,000 b/d Meraux, Louisiana refinery were restarted and in the process of returning to planned rates after a power outage on April 10. However, the fluid catalytic cracking unit remained shut for maintenance.

Reuters, 10:36 April 12, 2012

Chevron Reports Its 265,500 b/d El Segundo, California Refinery is Running Normally After SRU Plant Upset April 11

Chevron Corp reported sulfur dioxide emissions due to a sulfur recovery unit plant upset at its 265,500 b/d El Segundo refinery in California Wednesday. The filing with the U.S. NRC indicated the release had been secured. Later that day, the company said the refinery was running normally after a “small imbalance” with the unit.

Reuters, 18:13 April 11, 2012

Valero Said a Spill Near Its 265,000 b/d Jean Gaulin Refinery in Quebec City, Montreal Is Contained April 11

Valero Energy Corp. said on Wednesday that a small spill near its 265,000 b/d Jean Gaulin refinery in Quebec City, Montreal has been cleaned up. According to the company, a sheen estimated to be 3 gallons was noticed on the St. Lawrence River, which runs by the refinery. The company was investigating the cause of the spill.

Reuters, 13:55 April 11, 2012

Shell Responds to 10-mile Oil Sheen in Gulf of Mexico April 11

Royal Dutch Shell said late Wednesday a sheen of oil one mile wide and ten miles long was spotted in the Gulf of Mexico about 130 miles southeast of New Orleans, between its Mars and Ursa drilling platforms. Shell says there is no current indication that the sheen originates from wells in either of the two projects. The company said it activated the Louisiana Responder, an oil spill response vessel that has skimming and boom capabilities.

http://money.cnn.com/2012/04/12/news/companies/shell-oil/index.htm?source=yahoo_quote

BHP Billiton Approves Funding for 130,000 b/d Mad Dog Phase 2 Project in Deepwater Gulf of Mexico

BHP Billiton announced approval for \$708 million in precommitment funding for the Mad Dog Phase 2 project in the deepwater Gulf of Mexico, which would have a capacity of approximately 130,000 b/d of oil that will be exported through the Mardi Gras pipelines. After a final decision is made, production is scheduled to begin in 2018.

http://www.rigzone.com/news/article.asp?a_id=116837

Natural Gas

Enterprise to Build 150,000 b/d Front Range NGL Pipeline From Colorado to Texas

Enterprise Products Partners said April 12 that it, along with Anadarko Petroleum Corporation and DCP Midstream LLC, will build a pipeline to transport NGLs from the Denver-Julesburg (DJ) Basin to the Gulf Coast. The 435-mile Front Range pipeline will have an initial capacity of 150,000 b/d and will run from the DJ Basin in Weld County,

Colorado to Skellytown, Texas in Carson County. The companies said capacity can be expanded to 230,000 b/d, and the pipeline should begin service in the fourth quarter 2013.

<http://www.reuters.com/article/2012/04/12/us-enterpriseproductspartners-brief-idUSBRE83B0MR20120412>

Canadian Government Approves BC LNG's License to Export LNG from British Columbia April 11

The Canadian Government issued a 20-year license to BC LNG Export Cooperative to export LNG from a British Columbia port to Asian markets. The LNG facility will be located on the West Bank of the Douglas Channel in the District of Kitimat. The company said it intends to ship up to 1.8 million tons of LNG annually. The initial phase of the facility is expected to be operational in late 2013 or early 2014.

www.nrcan.gc.ca/media

Reuters, 15:34 April 11, 2012

Downeast to Move Forward with Maine LNG Import Terminal Despite Decision Against Calais LNG

Downeast LNG said April 11 that it plans to move ahead with building an LNG terminal in Robbinston, Maine on the U.S. side of Passamaquoddy Bay, despite the fact that FERC dismissed Calais LNG's proposal last week because the company didn't have the necessary financing or an approved site for a terminal.

<http://www.cbc.ca/news/canada/new-brunswick/story/2012/04/09/nb-lng-terminal-downeast-passamaquoddy.html>

Other News

USGS Study Ties Oil and Gas Production to Increase in Small Earthquakes

A new study from the U.S. Geological Survey (USGS) suggests that oil and gas production may be responsible for a sharp increase in small earthquakes in a swath of the United States that lies roughly west of Ohio and east of Utah.

<http://www.theintelligencer.net/page/content.detail/id/568353/Federal-Study-Ties-Fracking-to-Earthquakes.html?nav=515>

International News

EIA Outlook: Iran's Oil Production to Drop 500K b/d in 2012

Iran's crude oil production is expected to fall by approximately 500,000 b/d by the end of 2012, according to the U.S. Energy Information Administration (EIA). In its Short-Term Energy Outlook, released April 10, EIA reported that by year-end Iran's oil production will decrease from 3.55 million b/d at the end of 2011. The decline is attributed to a lack of investment needed to offset offshore natural production declines during the last quarter of 2011. EIA said it expects the forecast decline in production this year and an additional 200,000 b/d in 2013 will be offset by increased production in other OPEC member countries. It also projects OPEC surplus production capacity will average 2.9 million b/d in 2012 and rise to 3.6 million b/d in 2013.

http://www.rigzone.com/news/article.asp?a_id=116822

South Sudan Claims to be Holding Sudanese Oil Field April 11

South Sudan's army on Tuesday attacked Heglig, a disputed area containing an oilfield that accounts for about half of Sudan's 115,000 barrel-a-day output. The South's army claimed to be holding the oil wells. A Sudanese official said he expected the fighting would hit oil output.

Reuters, 18:23 April 11, 2012

Update: Total Says Extensive Preparation Needed to Kill Leaking Elgin Well in North Sea

Total SA said it is still in the initial stage of "killing" a gas leak from a well at its Elgin platform in the North Sea, more than two weeks after it evacuated the site. It indicated it is still weeks away from actually killing the well through heavy mud-pumping—a slower time-frame than previously expected. Total evacuated the platform and halted production March 26 after discovering the leak, which is estimated to be releasing 200,000 cubic meters of natural gas per day. Operators have said the leak likely began after pressure rose in a capped well.

http://www.rigzone.com/news/article.asp?a_id=116810

Argentina's Government Announces Takeover of Oil and Gas Producer YPF SA April 12

http://www.rigzone.com/news/article.asp?a_id=116832

http://www.rigzone.com/news/article.asp?a_id=116790

Energy Prices

U.S. Oil and Gas Prices			
April 12, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	104.12	102.73	107.37
NATURAL GAS Henry Hub \$/Million Btu	1.91	2.06	4.14

Source: Reuters

Links

This Week in Petroleum from the U.S. Energy Information Administration (EIA)

<http://www.eia.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM and 1:00 PM Eastern Time every Wednesday.

Natural Gas Weekly Update from EIA

<http://www.eia.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM Eastern Time every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/ead.aspx>

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